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29 April 1974

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT : Preparation and Use of Financial Appendices in Connection with Policy Recommendations by the National Security Council.

1. A review has been made of the draft statement on the above subject.

2. It is my understanding that all CIA estimated costs in connection with a proposed policy in the past have been excluded under the provisions of Section (a), paragraph 1. It is recommended that this procedure be continued without specifically being made a matter of record. If at any time it is necessary to include CIA estimated costs such estimates should be buried in other estimates when disseminated outside of the National Security Council proper so as not to be identifiable with the Agency.

3. It is considered advisable in all cases for a cost annex to be prepared for the personal use of the Director or other Agency official in connection with the discussions of the proposed NSC papers involving CIA. In view of the possible implications of these proposed NSC policies as they relate to the Agency budget, it is believed that responsibility for the preparation of such estimates should be centered in the Office of the Comptroller and that the Director should be advised as to the possible financing of them prior to consideration by the National Security Council.

4. The actual form of the tables supporting the estimated costs of the proposed policies might require some revision and clarification before the tables could be used by this Agency. Since these estimates are supposed to be concerned with the general level of magnitude rather than as precise estimates, it is believed that "Table I, Expenditures by Program" would give the necessary information involved in considering the majority of the proposed policies.

5. The Comptroller will be glad to supply any additional information or assistance which you desire.

/s/

L. K. WHITE
Acting Deputy Director
(Administration)

A-DD/A:LKW:laq

Approved For Release 2002/05/01 : CIA-RDP78-04718A000100220008-0

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